



This is *your* HCTC Eligibility Guide.



The HCTC Eligibility Guide will help you through the registration process and provide you with important information about the Health Coverage Tax Credit (HCTC). Follow these **3 simple steps** to determine whether you and your family members are eligible, if your health plan qualifies, and how to receive the tax credit.

Step 1

Determine if you and your family members meet the HCTC requirements.

Step 2

Determine if your health plan qualifies for the HCTC.

Step 3

Determine how you would like to receive the HCTC – Monthly or Yearly.

For more details about the HCTC or to take the interactive HCTC Online Tutorial, please visit www.irs.gov/hctc.

STEP 1

Determine if you and your family members meet the HCTC requirements.

You are receiving this information because you have been identified as a candidate for the HCTC and are one of the following:



- A Pension Benefit Guaranty Corporation (PBGC) payee who is 55 years old or older.
- An eligible Trade Adjustment Assistance (TAA), Alternative TAA (ATAA), or Reemployment TAA (RTAA) recipient.

An eligible TAA recipient is someone who receives a Trade Readjustment Allowance (TRA) or is in an approved break in training, or receives Unemployment Insurance (UI) in lieu of TRA, while otherwise eligible for TRA. TAA recipients also must meet eligibility deadlines for enrollment in TAA-approved training or receive a written waiver to maintain HCTC eligibility.

- A qualified family member of an individual who fell under one of the categories listed above at the time of Medicare enrollment, death, or divorce.



Next are the general requirements that you and your family members must meet to receive the tax credit. You and your family members must:



- Be covered by a qualified health plan for which you pay more than 50% of the premiums
- Not be enrolled in Medicare Part A, B, or C; or are enrolled in Medicare but only claiming premiums for qualified family members
- Not be enrolled in Medicaid or the Children's Health Insurance Program (CHIP)
- Not be enrolled in the Federal Employees Health Benefits Program (FEHBP)
- Not be enrolled in the U.S. military health system (TRICARE)
- Not be imprisoned under federal, state, or local authority

In order to receive the HCTC, *you* cannot be claimed as a dependent on someone else's federal income tax return and your *qualified family members* must be your spouse or a dependent on your federal income tax return.

**STEP
2****Determine if your health plan qualifies for the HCTC.**

The HCTC does not provide health insurance. You will need to have, or obtain, a health plan that qualifies for this tax credit. The HCTC will pay **72.5%** of your qualified health plan premiums. The following types of health plans are qualified for the HCTC:

- A **COBRA** plan through your or your spouse's employer where you pay more than 50% of the monthly premium.
- A **state-qualified health plan**. For a list of state-qualified plans in your state, please go to www.irs.gov/hctc and click on the "HCTC Quick References" link.
- **Coverage through your spouse's employer** where your spouse pays more than 50% of the total monthly premium with after-tax dollars.
- A health plan purchased through a **Voluntary Employees' Beneficiary Association (VEBA)** that was established through the bankruptcy of your former employer.
- **Non-group/individual health insurance** purchased through an insurance company, agent, or broker that must have started 30 days before your last paid day of work from the company that made you eligible for TAA, ATAA, RTAA or PBGC benefits. Because of this 30-day requirement, non-group/individual coverage is rare for the HCTC. If you are unsure if your plan qualifies, please contact the HCTC Customer Contact Center.



*Note: Separate dental and/or vision plans that are **not included** in your comprehensive major medical coverage do not qualify for the HCTC.*



STEP
3

Determine how you would like to receive the HCTC — Monthly or Yearly.

Once you confirm eligibility and have a qualified health plan, you will need to determine how you would like to receive the tax credit. The steps below outline how you can register for the Monthly HCTC or claim the Yearly HCTC.

The **Monthly HCTC** helps you pay for health insurance each month as your premiums become due.



Complete the Form

Complete Form 13441-A, *HCTC Monthly Registration Form**, collect all required supporting documents, and keep a copy for your records. Continue paying your full health insurance premiums directly to your health plan administrator.



Submit your Paperwork

Mail your form and all supporting documents to:

HCTC Processing Center
P.O. Box 760189
San Antonio, TX 78245

It will be reviewed and if eligible, you will receive a welcome letter and your first invoice.



You'll then pay 27.5%

When you receive your invoice from the HCTC Program for 27.5% of your health insurance premium, send your payment to the HCTC. Continue paying the HCTC Program by the due date each month.



We will pay 72.5%

The HCTC Program adds 72.5% to your payment and sends the total 100% of your premium to your health plan.

With the **Yearly HCTC**, you pay for your health plan premiums in full and then claim the credit on your federal income tax return.



Keep Records of your 100% Payments

Confirm that you and your family members meet all HCTC requirements and pay 100% of your monthly premium directly to your qualified health plan. Keep copies of your insurance bills and records of all payments.



Claim your Payments

Submit Form 8885, *Health Coverage Tax Credit*, with your federal income tax return. You will need to include supporting documents, such as records of your premium payments and copies of your insurance bills.



Receive the 72.5% Tax Credit

Once the IRS processes your tax forms and determines that you are eligible, you'll receive 72.5% of your premium payments as either a tax credit or refund.

* If the TAA, ATAA, or RTAA recipient or PBGC payee enrolls in Medicare, passes away or finalizes a divorce, their qualified family members must fill out separate registration forms. These forms are available online at www.irs.gov/hctc.



Frequently Asked Questions

How long can I receive this credit?	The HCTC is available until January 1, 2014, when the tax credit will expire. Until then, you can receive the HCTC for as long as you continue to receive TAA or PBGC benefits, meet the general requirements, and are enrolled in a qualified health plan. Remember that once you are enrolled in Medicare (typically at age 65), you can no longer receive the HCTC. If you enroll in Medicare, pass away, or divorce from your spouse, your qualified family members can receive the HCTC for up to 24 months from the month of the qualifying event, or until January 1, 2014.
Can I receive both the Monthly and Yearly HCTC?	Yes, in some situations. However, it is important to understand that you cannot claim the Yearly HCTC for any amount that you already received through the Monthly HCTC. You can only claim the Yearly HCTC for any month in which you were eligible and paid your monthly health insurance premiums - or a portion of the premiums - directly to your health plan. You cannot claim any payments that you made to the "U.S. Treasury- HCTC."
How can I make a payment to the monthly HCTC program?	You can make either paper or electronic payments to the monthly HCTC program. When you receive your invoice each month, you can decide whether a paper or electronic payment would be best. If you would like to make an electronic payment, visit www.irs.gov/hctc and click on the "Make a Payment" page. If you would like to mail your payment, follow the directions listed on your invoice.
I don't currently have a health plan or my COBRA plan will be ending soon. Can I enroll in a qualified health plan?	Yes, you can. You can enroll in a state-qualified health plan or have your COBRA extended. A state-qualified health plan is a health plan that a state's Department of Insurance approves as meeting requirements for the HCTC. You must buy this plan directly from an insurance company or other organization designated by your state. A list of state-qualified health plans is available online at www.irs.gov/hctc . In addition, TAA recipients and PBGC payees whose COBRA end date <i>is on or after</i> November 20, 2011, are eligible for COBRA coverage extensions through their former employer. Eligible taxpayers with an upcoming COBRA end date should contact their former employer immediately to extend their COBRA coverage. TAA recipients are eligible for COBRA coverage extensions for as long as they have TAA eligibility, or until January 1, 2014. PBGC payees are eligible for COBRA coverage extensions until January 1, 2014. If the payee passes away, their spouse or dependents are able to receive an additional 24 months of COBRA, or until January 1, 2014.
What can I do if I have trouble paying for my health insurance before I start receiving the HCTC?	The National Emergency Grant (NEG) Bridge Program may be able to help you. Contact the U.S. Department of Labor (DOL) and ask if your state has a NEG Gap-filler Program. You can also access a list of states offering NEG funds at www.irs.gov/hctc ; search for "NEG Funds," then click on "HCTC Partners – National Emergency Grant Coordinators."
I am divorced/separated. Is my child a qualified family member?	A qualified family member must meet all of the general HCTC requirements and you must be able to claim this person as a dependent on your federal income tax return. However, in certain cases, even if you cannot claim your child as a dependent, they can be treated as a qualified family member if you were the child's custodial parent (the child lived with you for 6 months or more) and if the child's other parent claims the child as a dependent under the rule for children of divorced or separated parents. Please note that only one parent can claim the child as an HCTC-qualified family member. For more information regarding divorced or separated parents, please review IRS Publication 501, <i>Exemptions, Standard Deduction, and Filing Information</i> .

Have additional questions? Need assistance? These resources can help.

HCTC – the Health Coverage Tax Credit Program	www.irs.gov/hctc	Customer Contact Center: 1-866-628-HCTC (4282) For those with a hearing impairment, call 1-866-626-4282 (TTY)
IRS – Internal Revenue Service	www.irs.gov	1-800-829-1040
NEG – National Emergency Grant Bridge Program	www.dol.gov and search for "National Emergency Grant"	1-877-US-2JOBS or 1-877-872-5627 For a NEG contact list, visit www.irs.gov/hctc and search "NEG Funds."
PBGC – Pension Benefit Guaranty Corporation	www.pbgc.gov	1-800-400-7242
TAA – Trade Adjustment Assistance	www.dol.gov	1-877-US-2JOBS or 1-877-872-5627

The Department of Labor (DOL) can give you the phone number and address of a local One-Stop Career Center or local unemployment office in your area.